

**SUPPLEMENTAL REPORT  
BY THE  
SENIOR CITIZENS CIRCUIT BREAKER  
TAX CREDIT REVIEW SUBCOMMITTEE**

November 8, 2012

**Subcommittee Members:**

Chairman, Craig A. Van Matre  
Alan Marble  
Representative Tim Flook  
Penny Rector

## Missouri Tax Credit Review Commission

### Supplemental Report of the Senior Citizen Circuit Breaker Tax Credit Review Subcommittee

This brief memorandum is a supplement to the memorandum submitted on November 4, 2010, by this Subcommittee. Nothing in the previously submitted report appears to warrant modification or amendment. The principles stated in the original report still appear to be applicable and worthy of consideration. However (and furthermore):

1. **Repeal of "Circuit Breaker" Tax Credit for Renters in Kansas:** In 2012, the Kansas legislature passed, and Governor Brownback signed, a tax reform law. This law repealed the Kansas version of the Circuit Breaker Tax Credit for renters under substantially similar situations as the renters benefitted by Missouri's Circuit Breaker Tax Credit. In other words, from and after January 1, 2013, property renters in Kansas will not be eligible to claim the Kansas version of the Circuit Breaker Tax Credit.

2. **Illinois Failure to Fund Circuit Breaker:** In the state of Illinois, the Illinois Property Tax Circuit Breaker for all potential claimants was not funded by the Illinois legislature. The Illinois Circuit Breaker Tax Credit, although similar to Missouri's, is subject to appropriation by the state legislature, and as of July 1, 2012, the Illinois legislature decided not to provide the funds necessary for that credit to be utilized. Accordingly, in Illinois, neither property owners nor renters will be granted the benefit of the Illinois Circuit Breaker Tax Credit subsequent to July 1, 2012.

3. **Projected Utilization for Fiscal Year 2012:** The State Budget Office projects that \$629,500,000 of Tax Credit redemptions will occur during Missouri's fiscal year 2012. Of that amount of credits redeemed, the State Budget Office estimates that \$117,600,000.00 of those credits will consist of Circuit Breaker Property Tax Credits. Attached to this Supplemental Report are copies of two spread sheets showing the redemptions of the Circuit Breaker Tax Credit by qualification types during calendar years 2010 and 2011 and the approximate breakout between owners and renters. The percentage of credits claimed by owners versus renters is fairly consistent from year to year, i.e., owners redeem about 51% of the total and renters redeem about 49% thereof. Thus it is anticipated that of the total Circuit Breaker Tax Credits claimed in 2012, approximately \$57,000,000 of that total will be aid to property renters instead of property owners.

## **CONCLUSION**

The Senior Citizens Circuit Breaker Tax Credit Review Subcommittee hereby re-adopts and reaffirms its report prepared in 2010 and recommends it for consideration by the legislative and executive branches of Missouri's government.

Respectfully submitted,

Members of the Senior Citizens Tax Credit Subcommittee  
Craig A. Van Matre  
Alan Marble  
Representative Tim Flook  
Penny Rector

# Missouri Department of Revenue

03/01/2012	Individual Tax	EDW Report
------------	----------------	------------

PROPERTY TAX CREDITS - Qualification Types								Calendar Year 2011
	Senior Citizens	Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS
	136,342	\$ 70,934,964	1,809	\$ 1,068,906	78,881	\$ 42,552,709	2,127	\$ 1,129,405 219,159 \$ 115,685,984

PROPERTY TAX CREDITS - Owners vs. Renters								
	Senior Citizens	Disabled Veterans		100% Disabled		Widows/Widowers		TOTALS
Renters	42,834	\$ 21,473,907	893	\$ 503,444	60,739	\$ 33,289,561	642	\$ 314,304 105,108 \$ 55,581,217
Owners	91,702	\$ 48,464,608	902	\$ 558,516	17,353	\$ 8,833,154	1,449	\$ 793,415 111,406 \$ 58,649,693
Both	1,806	\$ 996,449	14	\$ 6,946	789	\$ 429,994	36	\$ 21,686 2,645 \$ 1,455,075

Totals 136,342 \$ 70,934,964 1,809 \$ 1,068,906 78,881 \$ 42,552,709 2,127 \$ 1,129,405 219,159 \$ 115,685,984

Source: Enterprise Data Warehouse

Created by: Personal Tax

# Missouri Department of Revenue

07/21/2011

Individual Tax

EDW Report

## PROPERTY TAX CREDITS - Qualification Types

Calendar Year 2010

	Senior Citizens	Disabled Veterans	100% Disabled	Widows/Widowers	TOTALS
	142,124	\$ 73,472,010	1,884	\$ 1,090,439	76,971 \$ 41,345,314 2,066 \$ 1,054,054 223,045 \$ 116,961,817

## PROPERTY TAX CREDITS - Owners vs. Renters

	Senior Citizens	Disabled Veterans	100% Disabled	Widows/Widowers	TOTALS
Renters	46,012	\$ 23,433,916	976	\$ 559,370	59,098 \$ 32,559,075 645 \$ 313,930 106,731 \$ 56,866,291
Owners	94,237	\$ 49,046,840	898	\$ 523,491	17,109 \$ 8,368,743 1,397 \$ 727,150 113,641 \$ 58,666,225
Both	1,875	\$ 991,254	10	\$ 7,578	764 \$ 417,495 24 \$ 12,974 2,673 \$ 1,429,301

Totals 142,124 73,472,010 1,884 1,090,439 76,971 41,345,314 2,066 1,054,054 223,045 116,961,817

Source: Enterprise Data Warehouse

Created by: Personal Tax